

AGENDA BILL APPROVAL FORM

Agenda Subject:			ite:	
Ordinance No. 6293	Attachments:		bruary 3, 2010 Idget Impact:	
Department:	Ordinance 6293	****		
Finance	Ordinance 6293		10 <\$9,243.00> Estimated	
		20	11-2015 <\$68,023.00>	
Administrative Recommendation:				
City Council introduce and adopt Ordinance No. 6293.				
Background Summary:		,		
The City of Auburn is one of 5 cities who formed an interlocal agreement in 2000 to reorganize				
the governmental agency known as Valley Communications (ValleyCom). There was a need to				
finance and equip a facility to address increased growth and provide necessary services for				
member cities and other such				
Each member city agrees to contribe to the financing of the costs of the facility with each member paying 20 percent of the total cost of development.				
member paying 20 percent of the total cost of development.				
To meet the need, 15 year bonds in the amount of \$12,758,000 were issued, dated September,				
15,2000. The bond market has been favorable in the past year and the bonds may now be				
refunded at lower interest rates. This ordinance will allow ValleyCom, through the Public				
Development Authority formed, to issue the original bonds, to refund the bonds.				
Total actimated aguings to ValloyCom over the remaining life of the hands is \$386,329. The				
Total estimated savings to ValleyCom over the remaining life of the bonds is \$386,329. The savings to Auburn over the remaining life of the bonds is \$77,266.				
savings to Auburn over the remaining life of the bonds is \$77,200.				
F2.14				
Reviewed by Council & Committe Arts Commission COUNCIL	es: _ COMMITTEES:	Reviewed by Departments Building	M&O	
☐ Airport ☒ Finance		= - ~	☐ Mayor	
☐ Hearing Examiner ☑ Munic			☐ Parks	
☐ Human Services ☒ Planni	ng & CD	☐ Fire	☐ Planning	
Park Board Public		⊠ Legal	Police	
☐ Planning Comm. ☐ Other		☐ Public Works☐ Information Services	Human Resources	
A				
Action: Committee Approval:]Yes □No			
	Yes □No	Call for Public Hearing	_11	
Referred to	Until/_	_/		
Tabled	Until			
	· · · ·	Otasti Oala isi		
· ••••••••••••••••••••••••••••••••••••		Staff: Coleman		
Meeting Date: February 16, 2010	· -a	Item Number: VIII.A.1		

ORDINANCE NO. 6293

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF

AUBURN, WASHINGTON PLEDGING THE CITY'S FULL FAITH AND CREDIT TOWARD THE PAYMENT OF ITS SHARE OF

DEBT SERVICE ON REFUNDING BONDS TO BE ISSUED BY

THE VALLEY COMMUNICATIONS CENTER DEVELOPMENT AUTHORITY AND APPROVING CERTAIN MATTERS RELATED

THERETO

WHEREAS, pursuant to Ordinance No. 5358 adopted by the City of Auburn (the

"City") on April 17, 2000 and chapter 39.34 RCW, the Interlocal Cooperation Act, the

City entered into the Valley Communications Center Interlocal Agreement, effective

April 17, 2000 (the "Interlocal Agreement"), with the City of Federal Way, the City of

Renton, the City of Auburn, the City of Tukwila and the City of Kent, Washington

(together, the "Member Cities"), to reorganize a governmental administrative agency

known as the Valley Communications Center ("ValleyCom"); and

WHEREAS, the purpose of ValleyCom is to provide improved police, fire and

medical aid service communications within the boundaries of the existing, established

consolidated service area at a minimum cost to the Member Cities, together with such

other governmental agencies that have contracted with ValleyCom for communication

services; and

WHEREAS, in order to address increased growth and to provide necessary

services for the Member Cities and other governmental agencies that contract with

ValleyCom for communication services, ValleyCom constructed a new dispatch facility

known as the Valley Communications Center (the "Facility"); and

Ordinance No. 6293

WHEREAS, financing for the construction, equipping, and improvement of the

Facility was provided by bonds issued by the Valley Communications Center

Development Authority (the "Authority"), a public development authority chartered by the

[City][City of Kent] pursuant to RCW 35.21.730 through 35.21.755; and

WHEREAS, pursuant to the Interlocal Agreement, each Member City has agreed

to contribute to the financing of the costs of the Facility, each Member City paying

twenty-percent (20%) of the total cost of development, less contributions from grants,

other agencies, or other sources; and

WHEREAS, the Authority issued its Valley Communications Center Development

Authority Bonds, 2000 (Valley Communications Center Project in King County,

Washington) (the "2000 Bonds"), dated September 15, 2000, in the original aggregate

principal amount of \$12,758,000; and

WHEREAS, it appears that the 2000 Bonds may now be refunded at lower

interest rates through the issuance of refunding bonds of the Authority, thereby yielding

savings to the Authority and the Member Cities;

THE CITY COUNCIL OF THE CITY OF AUBURN WASHINGTON DOES

ORDAIN AS FOLLOWS:

<u>Section 1.</u> City Contributions to Bonds. Pursuant to the terms of the Interlocal Agreement, the City hereby irrevocably commits to pay its share, which shall be equal

to twenty-percent (20%), of the debt service on bonds (the "Bonds") issued by the Authority for the purpose of decreasing and refunding all or a portion of the 2000 Bonds.

The City recognizes that it is not obligated to pay the share of any other Member City; the City's obligation shall be limited to its 20% allocable share of debt service on such Bonds; all such payments shall be made by the City without regard to the payment or

lack thereof by any other jurisdiction; and the City shall be obligated to budget for and

pay its 20% allocable share.

All payments with respect to the Bonds shall be made to ValleyCom in its capacity as administrator and servicer of the Bonds to be issued by the Authority. The City's obligation to pay its 20% allocable share shall be an irrevocable full faith and credit obligation of the City, payable from property taxes levied within the constitutional and statutory authority provided without a vote of the electors of the City on all of the taxable property within the City and other sources of revenues available therefore. The City hereby obligates itself and commits to budget for and pay its 20% allocable share and to set aside and include in its calculation of outstanding non-voted general obligation indebtedness an amount equal to the principal component of its 20% allocable share for so long as any Bonds remain outstanding.

Statement. To the extent necessary to meet the conditions of paragraph (d)(2) of United States Securities and Exchange Commission Rule 15c2-12 (the "Rule"), the [Mayor][City Manager] is hereby authorized to execute and deliver a continuing disclosure agreement or certificate in order to assist the underwriter for the Bonds in complying with the Rule. The [Mayor][City Manager] is further authorized to ratify and approve the information pertaining to the City and contained the preliminary and final official statements delivered in connection with the Bonds for purposes of the Rule.

<u>Section 3.</u> Allocation for Purposes of Bank Qualification. For purposes of Section 265(b)(3)(C)(iii) of the Internal Revenue Code of 1986, as amended (the "Code"), the City hereby agrees that the amount of each issue of obligations of the Authority shall be allocated in equal shares among each of the Member Cities.

<u>Section 4.</u> Tax Covenant. The City hereby agrees that it shall not (a) make any use of the proceeds from the sale of Bonds or any other money or obligations of the Authority or the Member Cities that may be deemed to be proceeds of the Bonds pursuant to Section 148(a) of the Code that will cause the Bonds to be "arbitrage bonds" within the meaning of said Section and said regulations, or (b) act or fail to act in a manner that will cause the Bonds to be considered obligations not described in Section 103(a) of the Code.

<u>Section 5</u>. <u>General Authorization; Prior Acts</u>. The Mayor of the City and each of the other appropriate officers, agents and representatives of the City are each hereby authorized and directed to take such steps, to do such other acts and things, and to execute such letters, certificates, agreements, papers, financing statements, assignments or instruments as in their judgment may be necessary, appropriate or desirable to carry out the terms and provisions of, and complete the transactions contemplated by, this ordinance.

All acts taken pursuant to the authority of this ordinance but prior to its effective date are hereby ratified and confirmed.

<u>Section 6.</u> <u>Effective Date.</u> This ordinance shall take effect and be in force from and after passage and publication as provided by law.

	INTRODUCED:
	PASSED:
	APPROVED:
ATTEST:	PETER B. LEWIS MAYOR
Danielle E. Daskam City Clerk	
APPROVED AS TO FORM: Daniel B. Heid City Attorney	

PUBLISHED: